



General Assembly

February Session, 2008

Raised Bill No. 5525

LCO No. 1494

01494_____INS

Referred to Committee on Insurance and Real Estate

Introduced by:
(INS)

***AN ACT AMENDING THE EFFECTIVE DATE OF HEALTH INSURANCE
FOR CHILDREN.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 38a-497 of the 2008 supplement to the general
2 statutes, as amended by section 16 of public act 07-185 and sections 64
3 and 69 of public act 07-2 of the June special session, is repealed and the
4 following is substituted in lieu thereof (*Effective July 1, 2008*):

5 Every individual health insurance policy providing coverage of the
6 type specified in subdivisions (1), (2), (4), (6), (10), (11) and (12) of
7 section 38a-469 delivered, issued for delivery, amended or renewed in
8 this state on or after [January 1, 2009] July 1, 2008, shall provide that
9 coverage of a child shall terminate no earlier than the policy
10 anniversary date on or after whichever of the following occurs first, the
11 date on which the child marries, or attains the age of twenty-six as
12 long as the child is a resident of the state except for full-time
13 attendance at an out-of-state accredited institution of higher education
14 or resides out of state with a custodial parent pursuant to a child
15 custody determination, as defined in section 46b-115a.

16 Sec. 2. Section 38a-554 of the 2008 supplement to the general
17 statutes, as amended by section 17 of public act 07-185 and sections 64
18 and 69 of public act 07-2 of the June special session, is repealed and the
19 following is substituted in lieu thereof (*Effective July 1, 2008*):

20 (a) [The] Not later than July 1, 2008, the plan shall be one under
21 which the individuals eligible to be covered include: (1) Each eligible
22 employee; (2) the spouse of each eligible employee, who shall be
23 considered a dependent for the purposes of this section; and (3)
24 unmarried children residing in the state, who are under twenty-six
25 years of age.

26 (b) The plan shall provide the option to continue coverage under
27 each of the following circumstances until the individual is eligible for
28 other group insurance, except as provided in subdivisions (3) and (4)
29 of this subsection: (1) Notwithstanding any provision of this section,
30 upon layoff, reduction of hours, leave of absence, or termination of
31 employment, other than as a result of death of the employee or as a
32 result of such employee's "gross misconduct" as that term is used in 29
33 USC 1163(2), continuation of coverage for such employee and such
34 employee's covered dependents for the periods set forth for such event
35 under federal extension requirements established by the federal
36 Consolidated Omnibus Budget Reconciliation Act of 1985 (P.L. 99-272),
37 as amended from time to time, (COBRA), except that if such reduction
38 of hours, leave of absence or termination of employment results from
39 an employee's eligibility to receive Social Security income,
40 continuation of coverage for such employee and such employee's
41 covered dependents until midnight of the day preceding such person's
42 eligibility for benefits under Title XVIII of the Social Security Act; (2)
43 upon the death of the employee, continuation of coverage for the
44 covered dependents of such employee for the periods set forth for such
45 event under federal extension requirements established by the
46 Consolidated Omnibus Budget Reconciliation Act of 1985 (P.L. 99-272),
47 as amended from time to time, (COBRA); (3) regardless of the
48 employee's or dependent's eligibility for other group insurance, during

49 an employee's absence due to illness or injury, continuation of
50 coverage for such employee and such employee's covered dependents
51 during continuance of such illness or injury or for up to twelve months
52 from the beginning of such absence; (4) regardless of an individual's
53 eligibility for other group insurance, upon termination of the group
54 plan, coverage for covered individuals who were totally disabled on
55 the date of termination shall be continued without premium payment
56 during the continuance of such disability for a period of twelve
57 calendar months following the calendar month in which the plan was
58 terminated, provided claim is submitted for coverage within one year
59 of the termination of the plan; (5) the coverage of any covered
60 individual shall terminate: (A) As to a child, the plan shall provide the
61 option for said child to continue coverage for the longer of the
62 following periods: (i) At the end of the month following the month in
63 which the child marries, or attains the age of twenty-six, provided the
64 child is a resident of the state except for full-time attendance at an out-
65 of-state accredited institution of higher education or resides out of
66 state with a custodial parent pursuant to a child custody
67 determination, as defined in section 46b-115a. If on the date specified
68 for termination of coverage on a child, the child is unmarried and
69 incapable of self-sustaining employment by reason of mental or
70 physical handicap and chiefly dependent upon the employee for
71 support and maintenance, the coverage on such child shall continue
72 while the plan remains in force and the child remains in such
73 condition, provided proof of such handicap is received by the carrier
74 within thirty-one days of the date on which the child's coverage would
75 have terminated in the absence of such incapacity. The carrier may
76 require subsequent proof of the child's continued incapacity and
77 dependency but not more often than once a year thereafter, or (ii) for
78 the periods set forth for such child under federal extension
79 requirements established by the Consolidated Omnibus Budget
80 Reconciliation Act of 1985 (P.L. 99-272), as amended from time to time,
81 (COBRA); (B) as to the employee's spouse, at the end of the month
82 following the month in which a divorce, court-ordered annulment or

83 legal separation is obtained, whichever is earlier, except that the plan
 84 shall provide the option for said spouse to continue coverage for the
 85 periods set forth for such events under federal extension requirements
 86 established by the Consolidated Omnibus Budget Reconciliation Act of
 87 1985 (P.L. 99-272), as amended from time to time, (COBRA); and (C) as
 88 to the employee or dependent who is sixty-five years of age or older,
 89 as of midnight of the day preceding such person's eligibility for
 90 benefits under Title XVIII of the federal Social Security Act; (6) as to
 91 any other event listed as a "qualifying event" in 29 USC 1163, as
 92 amended from time to time, continuation of coverage for such periods
 93 set forth for such event in 29 USC 1162, as amended from time to time,
 94 provided such plan may require the individual whose coverage is to be
 95 continued to pay up to the percentage of the applicable premium as
 96 specified for such event in 29 USC 1162, as amended from time to time.
 97 Any continuation of coverage required by this section except
 98 subdivision (4) or (6) of this subsection may be subject to the
 99 requirement, on the part of the individual whose coverage is to be
 100 continued, that such individual contribute that portion of the premium
 101 the individual would have been required to contribute had the
 102 employee remained an active covered employee, except that the
 103 individual may be required to pay up to one hundred two per cent of
 104 the entire premium at the group rate if coverage is continued in
 105 accordance with subdivision (1), (2) or (5) of this subsection. The
 106 employer shall not be legally obligated by sections 38a-505, 38a-546
 107 and 38a-551 to 38a-559, inclusive, to pay such premium if not paid
 108 timely by the employee.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>July 1, 2008</i>	38a-497
Sec. 2	<i>July 1, 2008</i>	38a-554

Statement of Purpose:

To amend the effective date of health insurance coverage for children to age twenty-six to July 1, 2008.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]